

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7471**

**BILL NUMBER:** SB 389

**NOTE PREPARED:** Mar 31, 2003

**BILL AMENDED:** Mar 31, 2003

**SUBJECT:** Wage Payment Issues.

**FIRST AUTHOR:** Sen. Young R Michael

**FIRST SPONSOR:** Rep. Frenz

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
X FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill provides a procedure for an employer to deduct amounts due to the employer from the employee from unpaid wages due to the employee. It provides that after employment terminates, neither an employer or an employee are precluded from recovering damages other than unpaid wages or amounts due to the employer. The bill provides that a mechanic's lien may be recorded for unpaid or unsatisfied fringe benefits and withholdings due an employee in the construction trades. The bill also repeals and relocates language making it a Class C infraction for an employer to sell merchandise or supplies to an employee for a price higher than to the public. It repeals language requiring an employer to pay employees in commercial paper. The bill repeals duplicative language concerning frequency of wage payments to employees. It repeals outdated language concerning liens of laborers. It also makes technical corrections.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** (Revised) The impact on the state and local governments would be as an employer and should be a minor impact, if any.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** See *Explanation of State Expenditures*.

**Explanation of Local Revenues:**

**State Agencies Affected:** All.

**Local Agencies Affected:** All.

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825